

VZCZCXRO7507  
PP RUEHFK RUEHKSO RUEHNAG RUEHNH  
DE RUEHKO #0209/01 0290132

ZNR UUUUU ZZH

P 290132Z JAN 09

FM AMEMBASSY TOKYO

TO RUEHC/SECSTATE WASHDC PRIORITY 0373

INFO RUEKJCS/SECDEF WASHDC PRIORITY

RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY

RUEAWJA/USDOJ WASHDC PRIORITY

RULSDMK/USDOT WASHDC PRIORITY

RUCPDOC/USDOC WASHDC PRIORITY

RUEAIIA/CIA WASHDC PRIORITY

RUEKJCS/Joint STAFF WASHDC//J5//

RHHMUNA/HQ USPACOM HONOLULU HI

RHHMHBA/COMPACFLT PEARL HARBOR HI

RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//

RHMFIUU/USFJ //J5/J021//

RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA

RUAYJAA/CTF 72

RUEHNH/AMCONSUL NAHA 4473

RUEHFK/AMCONSUL FUKUOKA 2126

RUEHOK/AMCONSUL OSAKA KOBE 5914

RUEHNAG/AMCONSUL NAGOYA 0004

RUEHKSO/AMCONSUL SAPPORO 2685

RUEHBJ/AMEMBASSY BEIJING 7449

RUEHUL/AMEMBASSY SEOUL 3486

RUCNDT/USMISSION USUN NEW YORK 3482

UNCLAS SECTION 01 OF 13 TOKYO 000209

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;  
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;  
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;  
SECDEF FOR JCS-J-5/JAPAN,  
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA  
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;  
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAQ](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 1/29/09

Index:

- 1) Top headlines
- 2) Editorials
- 3) Prime Minister's daily schedule (Nikkei)

Anti-piracy measures:

- 4) P-3C patrol planes being considered for dispatch to waters off Somalia as part of anti-piracy mission (Tokyo Shimbun)
- 5) Information on pirate movements in waters off Somalia to be shared among Japan, U.S., EU (Nikkei)
- 6) Japanese ship owners want their vessels in pirate-infested waters of the Gulf of Aden to be included under EU military protection, as well (Mainichi)
- 7) New Komeito forced to accept MSDF mission to deal with pirates, giving priority to coalition with LDP, suppressing criticism within the party (Asahi)
- 8) Democratic Party of Japan (DPJ) ambivalent on anti-piracy mission, its members split into pro and con groups (Tokyo Shimbun)
  
- 9) In drafting new law for anti-piracy dispatches, major gap emerges between LDP and New Komeito over criteria for use of weapons (Tokyo Shimbun)
- 10) Voices of welcome, concern great news of pending dispatch of MSDF for anti-piracy mission (Asahi)

Diplomatic agenda:

- 11) Finally, after more than a dozen tries, there will be a telephone conversation between Prime Minister Aso, President Obama (Sankei)
- 12) Former Prime Minister Abe, now in Baghdad, tells Iraq's president that Japan will strengthen its economic ties with that

country (Yomiuri)

13) Talks break down over Russian intransigence about removing entry-card requirement to northern islands, resulting in Japan halting aid to the territory (Tokyo Shimbun)

14) Main points of Foreign Minister Nakasone's foreign policy speech in the Diet (Tokyo Shimbun)

15) Prime Minister Aso's Diet speech gets mixed reviews from ruling and opposition camps (Tokyo Shimbun)

16) Domestic auto production plummets 24 PERCENT in Dec., with Mitsubishi Motors dropping by 46 PERCENT (Yomiuri)

**Articles:**

**1) TOP HEADLINES**

**Asahi:**

Former company president arrested on suspicion of tax evasion worth 1.7 billion yen

**Mainichi:**

Government to assist rehabilitation of mentally disabled convicts after they serve prison terms

**Yomiuri:**

Health ministry study group develops universal vaccine for flu: Also effective for new strains of flu

**Nikkei:**

TOKYO 00000209 002 OF 013

Government eyes 30 broadcast channels for mobile phones to be started in 2011 or later

**Sankei:**

Prime minister's policy speech: Resolve to create new order; fails to show next step

**Tokyo Shimbun:**

MSDF to be dispatched to Somalia: Government also considering sending P3Cs; Special operation unit to be allowed up to firing warning shots

**Akahata:**

Prime minister's policy speech adheres to sales tax hike, dispatch of troops: No breakthrough in employment problem

**2) EDITORIALS**

**Asahi:**

(1) Sharp increase in jobless people: Employ all sorts of employment measures

(2) Aso speech: Words from prime minister who has lost credit with people weak

**Mainichi:**

(1) Prime minister's policy speech: Aso scenario sounds empty  
(2) New cash remittance service: Change bank monopoly

**Yomiuri:**

(1) Prime minister's policy speech: Government should fulfill its role steadily  
(2) Agricultural administration reform: Promote discussion on review of acreage reduction policy

**Nikkei:**

(1) Prime minister should come up with initiative to address the greatest crisis in the century  
(2) Preparations for dispatch of MSDF to Somalia have gotten under way at long last

**Sankei:**

(1) Prime minister's policy speech: Discuss the form of the state  
(2) Dispatch of MSDF to deal with pirates in waters off Somalia: Suprapartisan effort to enact new law urged

Tokyo Shimbun:

(1) Aso speech: "Along with the people" does not resonate with the

public

(2) Re-regulation on taxies: Do not forget consumer interest

Akahata:

(1) Prime minister's policy speech: Words "peace of mind and vitality" sound empty

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, January 28

NIKKEI (Page 2) (Full)

January 29, 2009

07:15

TOKYO 00000209 003 OF 013

Took a walk around his official residence.

09:30

Attended a meeting of the Security Council at the Kantei. Later, met Okinawa Governor Nakaima, Okinawa mayors association chairman Okinaga, Okinawa town and village heads association chairman Miyagi, with Chief Cabinet Secretary Kawamura, Lower House member Seiji Nakamura, and others present.

10:34

Met Environment Minister Saito and Vice Minister Nishio.

11:18

Met Foreign Ministry's Ambassador for Okinawa Affairs Imai and North American Affairs Bureau Director General Umemoto.

12:50

Attended a meeting of lawmakers in the Diet Building.

13:01

Attended a Lower House plenary session.

15:01

Attended an Upper House plenary session.

16:23

Arrived at the Kantei.

17:35

Attended a New Year's party held by the People's Political Association at the Grand Prince Hotel Akasaka.

18:58

Dined at an Italian restaurant in Ariake with Keio University President Yuichiro Anzai, Sankei Shimbun Chairman Takehiko Kiyohara and others.

22:59

Returned to his official residence.

4) P-3C dispatch also considered for antipiracy measures

TOKYO SHIMBUN (Top play) (Abridged)

January 29, 2009

Defense Minister Yasukazu Hamada yesterday ordered the Maritime Self-Defense Force to prepare for antipiracy deployment to waters off the eastern African coast of Somalia. The MSDF, according to its unveiled plan, will dispatch two destroyers, which will be based in Djibouti, a coastal country facing the Gulf of Aden. The MSDF is also looking into the possibility of sending three P-3C patrol planes. A special security force, which will have its rangers onboard the MSDF destroyers, will fire warning shots at pirate ships. Hijacked ships, however, will be left to the Japanese government's negotiations for their release.

The MSDF, in its law-based maritime security operations, is allowed to protect Japanese ships, including Japan-linked ones. Among them, there are an annual total of about 2,000 ships passing through the Gulf of Aden. They will be escorted by two MSDF destroyers. It takes one and a half days to pass through the 1,200-kilometer-long sealane extending east and west and including the Gulf of Aden, where

TOKYO 00000209 004 OF 013

pirates are rampant. The two MSDF destroyers are expected to convoy a big fleet of around 10 ships.

If escorted ships are double-lined, it is possible to see all the ships that are convoyed between the two MSDF destroyers. With the naked eye, however, it is hard to see small ships like high-speed boats used by pirates. The destroyers' surface radar will become a vital eye for piracy surveillance. Antisubmarine helicopters onboard the destroyers will also make periodical warning flights.

The special security force will embark on the MSDF destroyers. Its rangers, who are onboard a high-speed boat and a helicopter, will approach a pirate ship. After warning, they are expected to fire warning shots at the water surface. They are also allowed to go so far as to fire on a pirate ship.

In the case of hijacked ships, however, the Japanese government is to embark on negotiations. That is because using weapons at a hijacked ship could victimize its crew taken hostage. For another, it will be difficult to handle pirates even after arresting them.

5) Japan to share info with U.S., other countries on Somalia offshore pirates

NIKKEI (Page 1) (Abridged)  
January 29, 2009

The government has now decided to dispatch the Maritime Self-Defense Force to waters off the eastern African coast of Somalia for antipiracy measures. Along with this decision, the government yesterday began coordinating with the United States, European Union countries, Russia, and China, which have already been conducting warning activities there, to share information on pirates. It will be easy to grasp the moves of pirate ships. In addition, the government believes that providing Japan's information to other countries will also lead to international cooperation.

The MSDF's deployment this time is an action for maritime security policing under the Self-Defense Forces Law. Defense Minister Yasukazu Hamada yesterday directed the MSDF to prepare for maritime security operations. The Defense Ministry will send a fact-finding team to Somalia's neighbors next month. In March, the MSDF is expected to send out two destroyers with patrol helicopters onboard.

6) Japan ships under umbrella of EU naval vessels

MAINICHI (Page 3) (Full)  
January 29, 2009

"We're in the convoy of EU (European Union) naval ships for now, so we're feeling small," an official of the Japanese Shipowners' Association said. The government has now ordered the Maritime Self-Defense Force to prepare for deployment to waters off the coast of Somalia for antipiracy measures. This is aimed at answering such views in Japan, in addition to fulfilling Japan's international responsibility. "The government is also concerned about the shipping industry and answered our request," JSA Chairman Hiroyuki Maekawa, president of Kawasaki Kisen Kaisha, Ltd., said in a party yesterday evening of shipping business executives, welcoming the government's order.

TOKYO 00000209 005 OF 013

In waters off Somalia, 44 pirate attacks broke out in 2007 and 111 in 2008. As seen from this, the number of pirate attacks has sharply

increased. Since December last year, EU naval forces have been conducting antipiracy operations codenamed Operation Atalanta, which is named after a goddess of the hunt in a Greek myth. EU naval vessels will escort commercial ships passing through the Gulf of Aden at their request with their online registration with the EU naval forces of such specific data as their name, gross tonnage, and crew size.

EU naval vessels are to escort EU-registered ships. However, non-EU ships also can ask for their escorting. Commercial ships gather at the eastern or western end of the 'safe corridor' in the gulf. EU naval vessels convoy commercial ships that are grouped according to their navigation speed. This could be a model for the MSDF's escorting.

The Gulf of Aden is an overcrowded area with an annual total of about 20,000 ships passing through. However, there are about 6-10 EU naval vessels for escorting them. Some fleets gathering at a designated point may have to depart unescorted, according to a JSA official. "I never saw any naval vessel when we were under way over there," said a Japanese major shipping company's official. The MSDF, which will deploy two destroyers there, seem to have a limit to its activities.

7) New Komeito patiently endorses prime minister's plans for sake of coalition arrangement

ASAHI (Page 4) (Excerpts)  
January 29, 2009

Akihiro Yamada

The New Komeito, a party of peace, has easily endorsed a plan to dispatch the Maritime Self-Defense Force to waters off Somalia. The party, which is opposed to hiking the consumption tax that would directly hit the people's livelihood, is taking a wait-and-see attitude toward (Prime Minister Taro Aso's) plan to raise the sales tax. With the approach of the next general election, the New Komeito cannot afford to criticize the prime minister and thus it is just patiently holding itself back.

In yesterday's press conference, Secretary General Kazuo Kitagawa explained why his party endorsed the MSDF Somalia mission this way: "An anti-piracy mission comes under a policing action. It is not like going to war. It is on a different plane than (missions in) such countries as Iraq and Afghanistan." The New Komeito has been serving as a brake in the ruling bloc regarding its security policy. Late last year, Defense Minister Yasukazu Hamada was ordered by the prime minister to consider dispatching the SDF. Hamada, who was cautious about the dispatch, then sought the cooperation of the New Komeito, saying, "I cannot easily dispatch the MSDF under a maritime policing clause."

A New Komeito member well-versed in defense policy rejected the notion of cooperating with Hamada, saying, "Now that the prime minister has announced his plan to dispatch the SDF, we cannot prolong the discussion." The same New Komeito lawmaker recently explained: "We cannot afford to drag the prime minister down."

New Komeito Chief Representative Akihiko Ota made the following

TOKYO 00000209 006 OF 013

statement at the Jan. 18 LDP party convention: "It has been 10 years since the LDP-New Komeito coalition administration was launched. The relationship between the two parties is now growing into an extremely mature one. We are going to demonstrate our strength this year."

The New Komeito has joined efforts with the LDP in three Lower House elections and three Upper House elections in the past. With an eye on possible Lower House dissolution in April, the party has begun making preparations for campaign cooperation. With the next general election coming up, putting an end to the coalition arrangement with the LDP is out of question. Given the situation, for the New Komeito, there is no other option but to continue supporting the Aso administration. This can explain why the party earlier this year did

not side with the LDP group opposing the planned consumption tax hike, reversing its stance of late last year.

8) DPJ leadership torn between two conflicting views on Somalia anti-piracy mission

TOKYO SHIMBUN (Page 2) (Abridged slightly)  
January 29, 2009

Takayoshi Goto

Discussions in the Democratic Party of Japan (DPJ) on the question of sending the Self-Defense Force to waters off Somalia for an anti-piracy mission have made little progress. The party leadership is torn between those favoring the dispatch and those calling for joining hands with other opposition parties, such as the Social Democratic Party (SDP), which opposes the dispatch. Security issues are a weak spot with the patchwork DPJ. Discontent is simmering toward the party's leadership, which seems half-hearted about resolving the issue.

The SDP and the People's New Party have clearly expressed their opposition to the dispatch, saying that the matter must be dealt with by the Japan Coast Guard. At the Jan. 18 DPJ party convention, SDP head Mizuho Fukushima raised her objection before President Ichiro Ozawa and Secretary General Yukio Hatoyama, saying, "There is a possibility that armed force might be used."

After the convention, Ozawa also referred to the possible use of the JCG. Hatoyama, too, expressed cautiousness, saying, "The public would think, 'Can civilian control be ensured?'" This comes from the judgment that it is inadvisable for the opposition parties to demonstrate discord in view of the Diet and the next Lower House election.

Meanwhile, former DPJ President Seiji Maehara took this view at the Jan. 27 executive board meeting: "Are the specifics being discussed among opposition parties? Above all, our party should decide our own policy firmly."

Ironically, it was the DPJ's Akihisa Nagashima who triggered the option of dispatching the SDF. Last October, during the previous extraordinary Diet session, Nagashima proposed dispatching the SDF, and Prime Minister Taro Aso in response expressed his intention to consider that option.

Witnessing the divide between the two groups in the party, one DPJ lawmaker said: "This might end up giving (the ruling bloc) new

TOKYO 00000209 007 OF 013

ammunition to attack the DPJ, which always lacks unity when it comes to security issues."

9) Many tough questions, such as weapons-use criteria, await ruling bloc project team's discussions of new anti-piracy legislation

TOKYO SHIMBUN (Page 2) (Abridged slightly)  
January 29, 2009

Takuji Soka

The Liberal Democratic Party and its coalition partner New Komeito began discussions yesterday on drafting a new law allowing the government to dispatch the Self-Defense Force on anti-piracy missions as necessary. The discussions were timed to coincide with the government's order to the Maritime Self-Defense Force to prepare for its anti-piracy mission in waters off Somalia. Although the ruling coalition plans to submit a bill to the Diet in early March, it faces many tough issues, such as weapons-use criteria.

Five areas of discussion, such as the use of weapons, vessels subject to protection, and the Diet's role, are likely to become points at issue in the ruling bloc anti-piracy project team's (PT) discussions on the envisaged bill.

In escorting vessels, the MSDF, dispatched under an SDF Law maritime

policing clause, is allowed to use weapons only in legitimate self-defense and emergency evacuation. There are strong calls in the Defense Ministry and the LDP for relaxed standards under the envisaged new law.

The New Komeito remains cautious. Secretary General Kazuo Kitagawa told a press conference: "The objective is not to strike pirate ships but to show our deterrent capability." Lower House member Shigeki Sato, too, argued that it was possible to establish a new law without easing the weapons-use regulations.

The types of vessels subject to protection are also likely to stir up controversy.

The scope of protection is limited to Japanese-registered ships and foreign-registered vessels carrying Japanese cargo. The ruling parties have basically agreed to expand the scope to include foreign-registered vessels unrelated to Japan with the aim of playing up Japan's willingness to contribute to the international community.

There might be a case where a destroyer would attack a pirate ship in order to rescue another vessel under attack far outside its control. Such an action might transcend the scope of legitimate self-defense. It is a tough question closely associated with the weapons-use rules.

What to do with the Diet's involvement is also a point at issue. In terms of civilian control, it is desirable to make prior Diet approval mandatory, but that might serve to delay a dispatch, depending on circumstances. Conversely, seeking ex post facto approval might be criticized as slighting the Diet.

Even if new legislation is submitted to the Diet, all efforts might come to naught if the Lower House is dissolved soon after. Many obstacles lie in the way before the envisaged new legislation can be

TOKYO 00000209 008 OF 013

passed.

10) Planned MSDF anti-piracy mission off Somalia evoking both welcome and concern

ASAHI (Page 34) (Excerpts)  
January 29, 2009

The Maritime Self-Defense Force (MSDF) started preparations yesterday to dispatch its escort vessels to waters off Somalia, Africa, to protect Japan-related ships from possible attacks by pirates. Those in the shipping industry have welcomed the planned dispatch based on a provision under the Self-Defense Forces Law for maritime patrol action, but some experts criticize it as "based on a stretched interpretation (of the policy provision)."

An executive of the Japanese Shipowners' Association, composed of about 100 companies operating large vessels, has welcomed the order issued by Defense Minister Hamada, remarking: "We have not asked (the MSDF) to sink pirate ships but asked it to escort ships to prevent pirates from approaching them."

About six Japan-related ships pass through the Gulf of Aden on any day. The ships get through the gulf under the protection of warships dispatched from the European Union (EU) and other countries, while taking one and a half or two days. Dokkyo University Professor Isami Takeda, an expert on piracy, said: "The protection of Japanese ships is naturally low on foreign militaries' lists of priorities. If SDF vessels are mobilized, we can feel safe." The professor is supportive of the dispatch plan, saying: "Piracy is a crime, so fighting pirates does not fall under 'war'," adding that it would be desirable for neighboring countries to boost their coast guards and for major countries to help reconstruct Somalia in the future.

International University of Japan Professor Tomohito Shinoda commented: "The international community as a body should work to prevent piracy." But he posed questions about dispatching MSDF troops under the policing clause, remarking: "Since the provision

allows troops to use weapons (which inflict harm) only for legitimate self-defense or averting imminent danger, they will have to engage in the mission with a sense of anxiety. It is necessary to ease the nation's weapon-use standards (under new legislation)."

Yamaguchi University Professor Atsushi Kouketsu expressed his concern about the dispatch plan: "The policing clause does not assume operations in waters far from Japan. The plan is indisputably based on a stretched interpretation of the provision. That might become a precedent to allow (the MSDF) to be dispatched anywhere under the policing clause."

Meanwhile, MSDF Chief of Staff Keiji Akahoshi said in a press conference yesterday: "We have neither discussed countermeasures against pirates nor conducted training to that end," stressing difficulty in dealing with new enemies. A senior MSDF official indicated that the use of weapons should be avoided as much as possible, saying: "The key point is to spot pirates at an early stage and to prevent them from approach a fleet."

11) Aso, Obama to finally hold telephone talks

SANKEI (Page 2) (Full)  
January 29, 2009

TOKYO 00000209 009 OF 013

The first telephone conversation between Prime Minister Taro Aso and U.S. President Barack Obama will likely be held on the morning of Jan. 29. During the call, the two leaders are expected to confirm their intentions to strengthen the bilateral alliance. Obama has already concluded his telephone conversations with the leaders of Western and Middle Eastern countries, putting his call to Aso on the back-burner. A senior Foreign Ministry official said: "As there are circumstances such as time differences, what number Japan might be is meaningless." However, a Liberal Democratic Party (LDP) source said: "The Obama administration might be making light of Japan."

Aso and Obama held a telephone conversation last November following Obama's victory in the U.S. presidential election, but they have not had any conversation since Obama took the oath of office as President of the United States. During their conversation, Aso is expected to offer Obama his congratulations and ask him for a summit meeting at an early date. They will also confirm their intentions to strengthen cooperation in order to resolve the issues of North Korea's nuclear program and abductions of Japanese nationals.

Since becoming president, Obama has held telephone talks with four Middle Eastern country leaders, including Israeli Prime Minister Olmert, on Jan. 21; with the prime ministers of Britain and Canada on the 23rd; and with the French president, German chancellor and Russian president on the 26th. He then on the 27th held telephone talks with the Australian prime minister, the first leader of the Asia-Pacific region to hold such talks with Obama.

Japan, which believes that its alliance with the United States is the cornerstone of its foreign policy, appears to have fallen behind those countries. Chief Cabinet Secretary Takeo Kawamura, however, stated at a press conference yesterday:

"I do not worry at all. (Prime Minister Aso) was able to hold a friendly discussion with President Obama immediately after he won the presidential race. The President underscored how important in Asia Japan was."

Kawamura rejected the view of Japan being taken lightly.

Nevertheless, we can't help feeling that "foreign countries see the Aso administration's weak political situation," a senior Foreign Ministry official said.

The reality is that there still is no actual prospect for a summit between Aso and Obama.

12) Former Prime Minister Abe visits Iraq: Agreement reached with president to strengthen economic ties

YOMIURI (Page 4) (Full)  
January 29, 2009

Former Prime Minister Abe on the morning of January 28 (evening of the same day, Japan time) visited Iraq as a special envoy of Prime Minister Aso. He met with President Talabani at the presidential residence in Baghdad. He is the first former Japanese prime minister to visit Iraq since the collapse of the Hussein administration in April 2003. The aim of his Iran visit is to convey to that nation that Japan will continue to attach importance to it even though the Self-Defense Forces troops have pulled out from assistance

TOKYO 00000209 010 OF 013

operations.

During the meeting, Abe said, "Japan would like to strengthen business ties with Iran, in particular, in the energy field, including oil." The president responded, "I want to develop Iraq as an oil-producing country, using Japan's technology."

Abe also conveyed to Talabani the Japanese government's policy of dispatching an election monitoring team to Iraq's local assembly elections.

Prior to the meeting, Abe attended a signing ceremony for the Comprehensive Partnership Building Declaration, which includes bilateral cooperation in the energy area. The declaration stipulates: (1) Japanese companies will cooperate for the consolidation of oil-related social infrastructure (in Iraq), and Iraq will supply oil and gas to Japan on a stable basis; (2) the construction of power plants by Japanese companies is to be promoted; and (3) a joint ministerial-level economic committee is to be set up. Japan is the third country, following the U.S. and the EU, to sign such an accord with Iraq. According to the Foreign Ministry, Iraq is the third largest holder of confirmed crude oil reserves in the world. As that country's public security stabilizes, many countries are beginning to take interest in the development of the energy resources there.

13) Government halts humanitarian aid to Northern Territories over Russia's demand for submission of disembarkation card by Foreign Ministry officials; Talks with Russia fall through

TOKYO SHIMBUN (Page 1) (Almost Full)  
January 29, 2009

Russia demanded that Japanese government officials on a humanitarian mission for Russian residents living in the Northern Territories submit disembarkation cards before arriving on Kunashiri Island. In this connection, the Foreign Ministry on January 28 announced that since talks with Russia on that issue failed, Japanese officials have rejected submitting embarkation cards and will return to Nemuro Port. Following the incident, the government has decided to cancel humanitarian assistance for the remainder of fiscal 2008 or through March.

The Japanese side expressed regret at what happened. The governments of both countries have agreed to start talks to settle the latest issue. Chances are that this issue would be brought up at a summit meeting between President Medvedev and Prime Minister Aso, which Medvedev proposed to Aso, if realized. There is fear that if Russia does not change its stance, the visa-free visit programs allowing Japanese citizens and current Russian residents in the Northern Territories to visit mutually without passports or visas will be forced to be suspended.

Foreign Ministry press secretary Kazuo Kodama during a press briefing on the 28th said that submission of disembarkation cards would mean that Japan accepts Russia's claim that Kunashiri Island belongs to Russia. He criticized Russia's approach, noting that it is beyond comprehension. He, however, stressed that the latest development should not affect talks on the conclusion of the peace treaty. According to the spokesman, the Russian side explained that the amendment to its domestic law in 2006 necessitates submission of disembarkation cards. It claims that it notified Japan of the matter

on the 23rd.

14) Gist of speech on foreign policy

TOKYO SHIMBUN (Page 4) (Excerpts)  
January 29, 2009

The following is a gist of Foreign Minister Hirofumi Nakasone's speech on Japan's foreign policy.

(Basic foreign policy)

There are a host of challenges Japan should tackle swiftly, including the profound global economic crisis, international terrorism, regional disputes, and climate change. Japan should present its clear-cut views and take a vigorous and responsible diplomatic approach to lead the international community.

(Japan-U.S. relations)

The Japan-U.S. alliance is the cornerstone of Japan's diplomacy and also is imperative to maintaining peace and stability in the Asia-Pacific region. Japan's frank and specific proposals to the new administration of President Barack Obama will contribute to further strengthening the alliance. In order to maintain deterrence and reduce the burden on Okinawa and other local communities concerned, the realignment of U.S. forces in Japan should be steadily implemented.

(Policy toward neighbors)

Cooperation among Japan, China and South Korea is vital to developing the Asia region. Japan will step up efforts to frequently exchange views with the two countries. In an effort to build a strategic mutually-beneficial relationship with China and a mature partnership with South Korea, Japan will work to establish extensive cooperative relations with those two countries.

In relations with North Korea, Japan will get down to brass tacks to bring about an agreement in the six-party talks on a specific regime to verify the North Korean nuclear development programs, move the denuclearization process forward, as well as produce results in the reinvestigation of the whereabouts of the abduction victims in order to repatriate them. Japan will move ahead with negotiations with Russia to have the Northern Territories issue reach a final settlement.

(Cooperation for peace and stability)

Japan will reinforce cooperation with those that share common values with Japan, including European countries and the North Atlantic Treaty Organization (NATO). The nation will work on the parties concerned to perpetuate the ceasefire in the Gaza Strip. Japan will make efforts to establish a long-term friendly relationship with Iraq, where the Self-Defense Forces have now completed their five-year mission. We also will continue to work on Iran in order to resolve nuclear problem.

(World economy)

Overcoming the financial and economic crisis is an urgent challenge facing the international community. We will proactively tackle this

TOKYO 00000209 012 OF 013

challenge in cooperation with other countries at the second financial summit and other forums. We will continue efforts to bring about a settlement of the new round of World Trade Organization global trade talks (Doha Round) and to promote negotiations on concluding economic trade partnerships.

(Environment and climate change)

We are determined to display leadership in building an effective mechanism that will be joined by all major economies in a responsible manner. Based on the principles of nuclear nonproliferation and nuclear safety, we will promote nuclear power cooperation.

(Countermeasures to terrorism and piracy)

In a bid to prevent Afghanistan from becoming a hotbed of terrorism again, Japan will provide aid in wide-ranging areas, such as security, economics, and education, as well as boost its assistance, including the dispatch of civilians to participate in provisional reconstruction teams. Japan will also provide assistance to Pakistan to help eradicate terrorism there and stabilize its economy.

Japan is a maritime, trade-oriented country, so ensuring navigation and maritime safety is essential for our national survival and prosperity. Rampant hijackings by pirates are a matter of concern. In view of protecting Japanese lives and property, our urgent task is to work out anti-piracy measures. We will continue to study new legislation and create urgent measures.

15) Prime Minister Aso's policy speech so low key, even ruling parties criticize it

TOKYO SHIMBUN (Page 2) (Abridged slightly)  
January 29, 2009

Prime Minister Taro Aso yesterday delivered a policy speech in plenary sessions of the two houses of the Diet. His policy speech seemed sluggish, as if he lacked eagerness for his coalition to win a victory in the next general election for the House of Representatives, scheduled for the fall. Aso's political momentum could further slow down.

In his policy speech last September, Aso demanded that the main opposition Democratic Party of Japan (DPJ) make clear its position toward such issues as a bill amending the new Antiterrorism Special Measures Law. With his plan to dissolve the Lower House and call a snap election in mind, he clarified his stance of confronting the DPJ, calling out the name of that party twelve times. He showed in that speech his optimistic views, such as that he had had no doubts about the Japanese people's potential.

In his policy speech yesterday, however, he made no mention of the DPJ, using no provocative words.

Aso's policy speech consisted of 8,467 words, the shortest speech after Prime Minister Zenko Suzuki delivered one even shorter (7,393 words) in 1982. What was noticeable was the reference to hiking the consumption tax and a shift away from the structural reform policy propelled by former Prime Minister Junichiro Koizumi. It was a dull policy speech aimed to please everyone.

TOKYO 00000209 013 OF 013

Aso read almost all the speech from his notes in a straightforward manner. His speech did not meet any loud applause.

A former Liberal Democratic Party executive member made this critical comment: "I did not feel any enthusiasm. It was a mixture of pieces written by bureaucrats. It was just plain dull." A senior New Komeito member severely criticized it: "Politicians need freshness and a spirit that gives the public pluck and hope. In that sense, it was a failure."

After delivering his policy speech, Aso told reporters: "There is no change in my mind (from the previous speech)."

16) Domestic auto production plummets 24 PERCENT in December compared to year before, with Mitsubishi Motors dropping 46 PERCENT

YOMIURI (Page 2) (Full)  
January 29, 2009

The nation's largest eight automakers yesterday announced their production and domestic sales results for Dec. 2008. Domestic production for the eight companies combined was 706,609 vehicles, a drop of 24 PERCENT (228,327 vehicles), compared to the same month a year before. The scale of the reduction in production exceeded the combined production of Honda and Nissan in Dec. 2007 (224,161 units).

Mitsubishi Motors' production dropped by 46.6 PERCENT or almost half, compared to the same period last year. In addition, Mazda reduced production by 42.5 PERCENT, Nissan, by 40.9 PERCENT, all registering record drops. Toyota Motors (including Daihatsu Industries and Hino Motors) cut production by 21 PERCENT, but this was the second record drop following November's figure.

Domestic sales for the eight companies dropped 15.4 PERCENT to 281,424 vehicles. Mitsubishi Motors registered a 31.3 PERCENT reduction in sales, which was worse than the sales of Nissan, Mitsubishi, and Fuji Heavy Industries (Subaru). Sales by those three companies dropped over 20 PERCENT, compared to the same period a year before.

ZUMWALT